# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2300
ANSWERED ON:29.07.2016
Area Specific Grants
Majhi Shri Balabhadra

**Will the Minister of FINANCE be pleased to state:**

(a) whether any steps have been taken for evolution of a new institutional arrangement, as recommended by the 14th Finance Commission, for identifying the sectors in the State of Odisha that should be eligible for central grants, if so, the details thereof, State/UT-wise including Odisha;

(b) whether the Government proposes to facilitate early release of specific purpose grants determined by the Commission in favour of the State, if so, the details thereof; and

(c) the steps taken or proposed to be taken for allocation of additional funds to State for its requirement of 'judiciary', 'police', 'maintenance' and 'forest and environment', etc.?

## Answer

(a): No, Sir.

(b): Fourteenth Finance Commission (FFC) has recommended the following grants for its award period 2015-20:
(Rs. in Cr)
i Post-Devolution Revenue Deficit Grant (for 11 States only) 194821
ii Local Bodies 287436
iii Disaster Management 55097
Total 537354

These grants are released to the State Governments on compliance with conditions as applicable. The details of the grants released to Odisha during 2015-16 and 2016-17 (as on 25.07.2016) are given at Annexure.

(c ): FFC has recommended the increase in the share of tax devolution from 32% to 42% of the divisible pool with the primary objective of increasing the flow of unconditional transfers of the States. Keeping in view the ecological benefits and the need to support States in shouldering the responsibility of managing the environment, FFC has considered area covered by forest as one of the important criteria for horizontal devolution. The devolution formula, thus, captures both revenue and cost disability and also enable the States to consider forests as a national treasure that needs to be protected. FFC in its report has inter-alia urged the State Governments to use the additional fiscal space provided in the tax devolution to meet the expenditure requirements for Judiciary, Police and Maintenance.

Annexure referred to in reply to part (b) of Lok Sabha Unstarred Question No. 2300 for 29.07.2016 by Sh. Balabhadra Majhi, M.P.
Details of grants released to Odisha as recommended by Fourteenth Finance Commission(FFC) :
(Rs. in crore)

| Sl.No. | Grant recommended by FFC | 2015-16 | | 2016-17 | |
|---|---|---|---|---|---|
| | | Allocation | Release | Allocation | Release (As on 25.07.2016) |
| 1 | Local Bodies grant | 1125.62 | 1117.96 | 1801.70 | 777.17 |
| 2 | State Disaster Response Fund | 560.25 | 560.25 | 588.75 | 294.38 |
| Total | | 1685.87 | 1678.21 | 2390.45 | 1071.55 |

Note :- Post-Devolution Revenue Deficit Grant has not been recommended for Odisha.